

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF USA MOBILE)	
COMMUNICATIONS, INC. II FOR AN)	
ORDER AUTHORIZING THE ISSUANCE)	CASE NO. 91-040
AND SALE OF SECURITIES)	

O R D E R

On February 5, 1991, USA Mobile Communications, Inc. II ("USA II") filed a Verified Application Pursuant to KRS 278.300 (the "Verified Application") requesting the Commission to: (a) authorize USA II to assume obligations substantially upon the terms and conditions described in Exhibit A thereto (the "Loans"); and (b) approve the issuance of notes evidencing the Loans to certain accredited investors (the "Notes").

In connection with the Verified Application, USA II filed a Motion to Dispense with Certain Requirements of 807 KAR 5:001, Section 11, including those set forth in (1)(a), (2)(b), (2)(c), and Section 6.

Based on the evidence of record and the Commission being sufficiently advised, the Commission finds that:

1. USA II is a Delaware corporation authorized to do business in Kentucky. Certified copies of the Certificate of Incorporation of USA II and its Certificate of Authority to

transact business in the Commonwealth are currently on file with the Commission in Case No. 10025.¹

2. USA II was formed to acquire and operate radio common carriers ("RCCs") in the states of Ohio, Kentucky, and Indiana. These RCCs, including those in Kentucky, provide radio common carrier services including conventional one-way radio paging and two-way mobile telephone service.

3. The RCC services which USA II is providing in the Commonwealth consist primarily of one-way radio paging services with some two-way mobile communications (not cellular) being provided. The Commission has effectively deregulated the provision of one-way radio paging services in the Commonwealth by its Order in Administrative Case No. 322.² Additionally, in its Order of April 25, 1990 in Administrative Case No. 325,³ the Commission acknowledged that it has for many years followed a relaxed regulatory scheme for two-way mobile service.

4. The purpose for which USA II seeks authority to assume the obligations represented by the Notes is to restructure its

¹ Case No. 10025, The Joint Application of Johnny L. Wills, d/b/a Kentucky Radio Service, Inc. ("KRS"), to Inter Alia, (1) Acquire and Transfer Ownership and Control of KRS by the Sale of its Assets to USA and (2) Transfer and Assign the Certificates of Convenience and Necessity Granted in Case Nos. 7091, 9333, 8289, and 8786.

² Administrative Case No. 322, Commission Jurisdiction Over One-Way Radio Paging Services.

³ Administrative Case No. 325, Regulation of Conventional Two-Way Mobile Telephone Services.

existing indebtedness to repay such indebtedness and to fund capital improvements and working capital needs of USA II.

5. USA II's assumption of the obligations represented by the Loans and its issuance of the Notes to certain accredited investors is: (a) for a lawful objective within the corporate purposes of USA II; (b) is necessary and appropriate, as well as consistent with the provision by USA II of RCC services to the public; (c) will not impair the ability of USA II to provide the services; and (d) is reasonable or necessary and appropriate to accomplish these objectives.

6. USA II has complied with all the requirements of KRS 278.300 and 807 KAR 5:001, Section 11, governing the issuance of securities and other forms of indebtedness, except the following documents for which a deviation is requested: (i) the original cost of the personal and real property acquired or to be acquired by USA II; (ii) trust deeds or mortgages; (iii) engineering maps and plans of the proposed property to be acquired; and (iv) a financial exhibit.

IT IS THEREFORE ORDERED that:

1. USA II's Motion to Dispense with Certain Requirements of 807 KAR 5:001, Section 11 be and it hereby is granted.

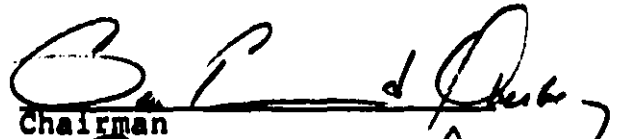
2. Pursuant to KRS 278.300 and 807 KAR 5:001, Section 11, USA II is authorized to assume the obligations represented by the Loans and to issue the Notes upon substantially the terms and conditions specified in Exhibit A with such modifications as agreed to by USA II.

3. USA II shall file within 30 days of consummation of the loan, copies of the final loan documents.

Nothing contained herein shall be construed as a finding of value for any purpose or as a warranty on the part of the Commonwealth of Kentucky or any agency thereof as to the securities authorized herein.

Done at Frankfort, Kentucky, this 12th day of March, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director